

House Amendment 8555

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1 1 Amend House File 2687 as follows:
1 2 #1. Page 1, by inserting before line 1 the
1 3 following:
1 4 <DIVISION I
1 5 REDEVELOPMENT TAX CREDITS>
1 6 #2. Page 9, line 5, by inserting after the word
1 7 <This> the following: <division of this>.
1 8 #3. Page 9, by inserting after line 7 the
1 9 following:
1 10 <DIVISION II
1 11 DATA CENTER TAX EXEMPTIONS
1 12 Sec. _____. Section 423.3, subsection 93, as enacted
1 13 by 2008 Iowa Acts, House File 2233, subsection 1, is
1 14 amended to read as follows:
1 15 93. a. (1) The sales price from the sale or
1 16 rental of computers and equipment that are necessary
1 17 for the maintenance and operation of a web search
1 18 portal business or data center and property whether
1 19 directly or indirectly connected to the computers,
1 20 including but not limited to cooling systems, cooling
1 21 towers, and other temperature control infrastructure;
1 22 power infrastructure for transformation, distribution,
1 23 or management of electricity used for the maintenance
1 24 and operation of the web search portal business or
1 25 data center, including but not limited to exterior
1 26 dedicated business-owned substations, back-up power
1 27 generation systems, battery systems, and related
1 28 infrastructure; and racking systems, cabling, and
1 29 trays, which are necessary for the maintenance and
1 30 operation of the web search portal business or data
1 31 center.
1 32 (2) The sales price of back-up power generation
1 33 fuel, that is purchased by a web search portal
1 34 business or data center for use in the items listed in
1 35 subparagraph (1).
1 36 (3) The sales price of electricity purchased for
1 37 use by a web search portal business or data center.
1 38 b. For the purpose of claiming this exemption, all
1 39 of the following requirements shall be met:
1 40 (1) The purchaser or renter shall be a web search
1 41 portal business or data center.
1 42 (2) The web search portal business or data center
1 43 shall have a physical location in the state that is
1 44 used for the operations and maintenance of the web
1 45 search portal business or data center.
1 46 (3) (a) The web search portal business shall make
1 47 a minimum investment in an Iowa physical location of
1 48 two hundred million dollars within the first six years
1 49 of operation in Iowa beginning with the date the web
1 50 search portal business initiates site preparation
2 1 activities. The minimum investment includes the
2 2 initial investment, including land and subsequent
2 3 acquisition of additional adjacent land and subsequent
2 4 investment at the Iowa location.
2 5 (b) The data center shall make a minimum
2 6 investment in an Iowa physical location of one million
2 7 dollars within the first six years of operation in
2 8 Iowa beginning with the date the data center initiates
2 9 site preparation activities. The minimum investment
2 10 includes the initial investment, including land and
2 11 subsequent acquisition of additional adjacent land and
2 12 subsequent investment at the Iowa location.
2 13 (4) The web search portal business or data center
2 14 shall purchase, option, or lease Iowa land not later
2 15 than December 31, 2008, for any initial investment.
2 16 However, the December 31, 2008, date shall not affect
2 17 the future purchases of adjacent land and additional
2 18 investment in the initial or adjacent land to qualify
2 19 as part of the minimum investment for purposes of this
2 20 exemption.
2 21 c. This exemption applies from the date of the
2 22 initial investment in or the initiation of site
2 23 preparation activities for the web search portal
2 24 facility or data center as described in paragraph "b".

2 25 For purposes of claiming this exemption, the
2 26 requirements may be met by aggregating the various
2 27 Iowa investments and other requirements of the web
2 28 search portal business's affiliates or data center's
2 29 affiliates. This exemption applies to affiliates of
2 30 the web search portal business or data center.
2 31 d. Failure to meet eighty percent of the minimum
2 32 investment amount requirement specified in paragraph
2 33 "b" within the first six years of operation from the
2 34 date the web search portal business or data center
2 35 initiates site preparation activities will result in
2 36 the web search portal business or data center losing
2 37 the right to claim this ~~web search portal business~~
2 38 exemption and the web search portal business or data
2 39 center shall pay all sales or use tax that would have
2 40 been due on the purchase or rental or use of the items
2 41 listed in this exemption, plus any applicable penalty
2 42 and interest imposed by statute.
2 43 e. For purposes of this subsection:
2 44 (1) "Affiliate" means an entity that directly or
2 45 indirectly controls, is controlled with or by, or is
2 46 under common control with another entity.
2 47 (2) "Control" means any of the following:
2 48 (a) In the case of a United States corporation,
2 49 the ownership, directly or indirectly, of fifty
2 50 percent or more of the voting power to elect
3 1 directors.
3 2 (b) In the case of a foreign corporation, if the
3 3 voting power to elect the directors is less than fifty
3 4 percent, the maximum amount allowed by applicable law.
3 5 (c) In the case of an entity other than a
3 6 corporation, fifty percent or more ownership interest
3 7 in the entity, or the power to direct the management
3 8 of the entity.
3 9 (3) "Data center" means a facility, or portion of
3 10 a facility, that is predominately used for the housing
3 11 and operation of computer data processing hardware and
3 12 associated equipment directly in support thereof.
3 13 ~~(3)~~ (4) "Web search portal business" means an
3 14 entity whose business among other businesses is to
3 15 provide a search portal to organize information; to
3 16 access, search, and navigate the internet, including
3 17 research and development to support capabilities to
3 18 organize information; or to provide internet access,
3 19 navigation, or search functionalities.
3 20 Sec. _____. Section 427.1, subsection 36, as enacted
3 21 by 2008 Iowa Acts, House File 2233, section 2, is
3 22 amended to read as follows:
3 23 36. WEB SEARCH AND DATA CENTER PROPERTY.
3 24 a. Property, other than land and buildings and
3 25 other improvements, that is utilized by a web search
3 26 portal business or data center as defined in and
3 27 meeting the requirements of section 423.3, subsection
3 28 93, including computers and equipment that are
3 29 necessary for the maintenance and operation of a web
3 30 search portal business or data center and other
3 31 property whether directly or indirectly connected to
3 32 the computers, including but not limited to cooling
3 33 systems, cooling towers, and other temperature control
3 34 infrastructure; power infrastructure for
3 35 transformation, distribution, or management of
3 36 electricity, including but not limited to exterior
3 37 dedicated business-owned substations, and power
3 38 distribution systems which are not subject to
3 39 assessment under chapter 437A; racking systems,
3 40 cabling, and trays; and back-up power generation
3 41 systems, battery systems, and related infrastructure
3 42 all of which are necessary for the maintenance and
3 43 operation of the web search portal business or data
3 44 center.
3 45 b. This ~~web search portal business~~ exemption
3 46 applies beginning with the assessment year the
3 47 investment in or construction of the facility
3 48 utilizing the materials, equipment, and systems set
3 49 forth in paragraph "a" are first assessed. For
3 50 purposes of claiming this ~~web search portal business~~
4 1 exemption, the requirements may be met by aggregating
4 2 the various Iowa investments and other requirements of
4 3 the web search portal business's affiliates or data
4 4 center's affiliates as allowed under section 423.3,
4 5 subsection 93. This exemption applies to affiliates

4 6 of the web search portal business or data center.>
4 7 #4. Title page, line 3, by inserting after the
4 8 word <properties> the following: <providing sales,
4 9 use, and property tax exemptions for certain data
4 10 centers,>.
4 11 #5. By renumbering as necessary.
4 12
4 13
4 14 _____
4 15 RANTS of Woodbury
4 16 HF 2687.202 82
4 17 tw/sc/11598